

**7-9-52 Expansion of a field of membership.**

- (1) The commissioner shall comply with Subsection (2) if the commissioner receives a request to approve an amendment to the bylaws of a credit union that expands the credit union's field of membership to include:
  - (a) residents of a county;
  - (b) an association consisting of 50 or more persons; or
  - (c) subject to the requirements of Subsection (6), residents of a city of the third, fourth, or fifth class or a town described in Subsection 7-9-51(1)(e).
- (2) If the conditions of Subsection (1) are met, the commissioner shall:
  - (a) give notice of the request in the manner and to the extent the commissioner considers appropriate to institutions subject to the jurisdiction of the department that:
    - (i) are located in the county, if the field of membership is being expanded to include residents of a county;
    - (ii) serve or may serve the association described in Subsection (1)(b), if that association is being added to the field of membership; or
    - (iii) are located in the county in which a city or town described in Subsection (1)(c) is located, if the field of membership is being expanded to include residents of the city or town; and
  - (b) cause a supervisor to examine and submit written findings and recommendations to the commissioner as to:
    - (i) whether the credit union is adequately capitalized;
    - (ii) whether the credit union has the financial capacity to serve the financial needs of the expanded field of membership in a safe and sound manner;
    - (iii) whether the credit union has the managerial expertise to serve the financial needs of the expanded field of membership in a safe and sound manner;
    - (iv) any potential harm the expansion of the field of membership may have on the institutions described in Subsection (2)(a); and
    - (v) the probable beneficial effect of the expansion.
- (3) The commissioner may approve the amendment to the bylaws described in Subsection (1) if the commissioner:
  - (a) has given the notice required under Subsection (2)(a);
  - (b) received the written findings and recommendations of the supervisor under Subsection (2)(b); and
  - (c) finds that:
    - (i) the credit union is adequately capitalized;
    - (ii) the credit union has the financial capacity to serve the financial needs of the expanded field of membership in a safe and sound manner;
    - (iii) the credit union has the managerial expertise to serve the financial needs of the expanded field of membership in a safe and sound manner; and
    - (iv) any potential harm the expansion of the field of membership may have on other institutions subject to the jurisdiction of the department does not clearly outweigh the probable beneficial effect of the expansion.
- (4) In accordance with Section 7-1-309, the commissioner may hold a hearing on the expansion of a credit union's field of membership.
- (5) This section may not be interpreted to permit a credit union to:
  - (a) expand its field of membership to include residents of more than one county except to the extent permitted by Subsection 7-9-51(5); or
  - (b) change the county included in the field of membership of a credit union, if any.
- (6)

- (a) If the commissioner receives a request to approve an amendment to the bylaws of a credit union that expands the credit union's field of membership to include residents of a city or town described in Subsection (1)(c), before approving the expanded field of membership, in addition to the requirements of Subsection (2), the commissioner shall:
  - (i) require that a supervisor examine and submit written findings and recommendations to the commissioner as to whether but for the residents described in Subsection (1)(c) being included in the field of membership of the credit union, no depository institutions would likely be located within a reasonable distance from the city or town described in Subsection (1)(c); and
  - (ii) find that but for the residents described in Subsection (1)(c) being included in the field of membership of the credit union, no depository institutions would likely be located within a reasonable distance from the city or town described in Subsection (1)(c).
- (b) A nonexempt credit union may not apply under this Subsection (6) to include a city or town described in Subsection (1)(c) in the nonexempt credit union's field of membership.

Amended by Chapter 327, 2003 General Session